



**United States Department of Agriculture
Rural Development**

July 7, 2006

SUBJECT: Dates – Work Plan Completion, Loan Cutoff, and Form 7

TO: All Electric Programs' Distribution Borrowers

FROM: James R. Newby
Assistant Administrator
Electric Programs

A handwritten signature in black ink, appearing to read "James R. Newby". The signature is fluid and cursive, with the first name "James" being the most prominent.

The Rural Development Utilities Programs, Electric Programs has conducted a review of its procedures in 7 CFR 1710 with regard to dates associated with a distribution borrower's loan application; namely, the work plan effective date, loan cutoff date and Form 7 date. Based upon its review, the following procedures have been developed:

- 1) The approval of the work plan will establish its effective date, which would typically be within one month of the date of its approval, i.e., the end of the previous month or the end of the current month.
- 2) A loan application received date (APR date) which is established within 6 months of the work plan effective date can use the work plan's effective date as the cutoff date for the loan application.
- 3) If the APR date will be more than 6 months after the work plan effective date, the borrower must use a cutoff date that is no more than 3 months before the loan application's APR date.
- 4) Should a cutoff date other than the effective date of the work plan be required, an analysis of completed work plan projects will be performed to properly identify those projects in the work plan which are now possible reimbursement projects and those that continue to be proposed projects.
- 5) The Form 7 submitted with a loan application shall contain the most recent data available which shall not be more than 90 days old when received by the Electric Programs.

These changes are intended to simplify the process of submitting distribution borrower's loan applications, which have required revisions to the status of work plan projects shortly after the approval of the work plan. Revisions to the Code of Federal Regulations, Bulletins, etc., that are required in connection with the implementation of the procedures above are being developed by the Electric Programs.

These procedures are effective immediately and will remain in effect until further notification. If you have any questions regarding these procedures, please contact your General Field Representative.